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UNITED STATES OF AMERICA
POSTAL REGULATORY COMMISSION
WASHINGTON, D.C. 20268-0001

Before Commissioners: Robert G. Taub, Chairman;
Tony Hammond, Vice Chairman;
Mark Acton; and
Nanci E. Langley

Data Enhancements and
Reporting Requirements for Flats

Docket No. RM2018-1

COMMISSION INFORMATION REQUEST NO. 2

(Issued March 28, 2018)

To better understand data reporting systems that provide information pertaining to flats and to determine if these data reporting systems can estimate cost and service impacts, the Postal Service is requested to provide written responses to the following questions. Answers to the questions should be provided within 60 days from the date of this Request.

PP1-1: Bundle Breakage Visibility Reports

1. Please refer to Responses of the United States Postal Service to Commission Information Request No. 1, December 4, 2017 (Response to CIR No. 1) and Response to CIR No. 1, Excel file "PP1-1_Bundle Breakage.Rev.2.13.18.xlsx."

   a. Please expand the data filed to include facility level data. In addition, please provide an explanation of the following types of facilities:

      i. STC Facility;

      ii. FS Facility; and

iii. Breakage Facility.

b. Please confirm that "APPS" refers to the Automated Parcel and Package Service. If not confirmed, please provide the full name of the machine.

c. Please confirm that the Small Parcel and Bundle Sorter Tracking System (SPBSTS or APBS) and "APPS" are the only machines where bundle breakage occurs. If not confirmed, please list any additional machines where bundle breakage occurs and why the Bundle Breakage Visibility Reports do not provide data about bundle breakage on those machines.

d. Please provide the source of the data from the column "Bundles Processed."

e. Please provide the formula used to calculate the data in column "% of Total Bundles." If the data used to calculate the data in the column are not included in Excel file "PP1-1_Bundle Breakage.xlsx," please provide the additional data necessary to calculate the data in the column.

f. Please provide the source of the data from the column "Broken Bundles."

g. Please provide the formula used to calculate the data in column "% Contribution of Total Broken Bundles." If the data used to calculate the data in the column are not included in Excel file "PP1-1_Bundle Breakage.xlsx," please provide the additional data necessary to calculate the data in the column.

h. Please revise Excel file "PP1-1_Bundle Breakage Rev.2.13.18.xlsx" to include:

i. Broken Bundles (2 SCAN LOGIC);

ii. Broken Bundles Performance (2 SCAN LOGIC);

iii. Broken Bundles (3 SCAN LOGIC); and

iv. Broken Bundles Performance (3 SCAN LOGIC).

i. Please provide a narrative that explains the following terms: "2 SCAN LOGIC" and "3 SCAN LOGIC."

2. Please explain if there have been any studies on the time associated with handling broken bundles. If so, please provide the results of those studies. If not, please explain if any studies are planned.

3. Please refer to Response to CIR No. 1, Excel file "PP1-1_Bundle Breakage Rev.2.13.18.xlsx." Please confirm that the percent of broken bundles increased from 2.6 percent in FY 2016 to 2.8 percent in FY 2017. If not confirmed, please provide the percent of bundles broken in FY 2016 and FY 2017. In addition, please explain any known causes of this increase in broken bundles.

4. Please refer to Response to CIR No. 1, question PP1-1(b). Please explain if Bundle Breakage Visibility reports are contained within Informed Visibility. If not confirmed, please explain how Informed Visibility and Bundle Breakage Visibility Reports are related.

5. Please refer to Response to CIR No. 1, question PP1-1(c). Please provide a copy of the "[t]rends and findings" related to bundle breakage that "are shared with industry and internal stakeholders for continuous improvements."

6. Please refer to Response to CIR No. 1, questions PP1-1(a) and PP1-1(e). Please explain how eMIR improvements will impact Bundle Breakage Visibility Reports if eMIR is not an input to Bundle Breakage Visibility Reports. In addition, please explain if there are plans to integrate eMIR and the Bundle Breakage Visibility Reports to address at-risk mail.

7. Please refer to Response to CIR No. 1, question PP1-1(c). Please provide the percentage of a mailing that must be broken for a mailer or mail preparer to be notified.

8. Please refer to Response to CIR No. 1, question PP1-1(f). Please list all inputs and outputs to the "Bundle Breakage Dashboard." In addition, please explain how mailers and the Postal Service use the "Bundle Breakage Dashboard" to

reduce bundle breakage and any estimates of reduced bundle breakage as a result of the dashboard.

9. Please refer to Response to CIR No. 1, question PP1-1(j). Please explain if it is possible to merge Bundle Breakage Visibility reports with work hour data to estimate the cost impact of bundle breakage. If it is possible, please provide the barriers to merging the data. If it is not possible, please explain.

10. In Docket No. ACR2017, Responses of the United States Postal Service to Questions 1-4 of Chairman's Information Request No. 14, February 12, 2018, question 4, the Postal Service stated that there was "an increase in bundle breakage performance of 8.2 percent from FY 2016 to FY 2017." The data show that while the total number of bundles decreased, the total number of broken bundles increased and the percentage of broken bundles increased from FY 2016 to FY 2017. Please provide a narrative that explains the rationale that increasing bundle breakage is an indicator that bundle breakage performance is increasing.

PP1-2: Service Performance Diagnostic (SPD) Reports

1. Please refer to Response to CIR No. 1, Excel file "PP1-2_WIP Cycle Time.xlsx." Please confirm that the time is expressed in minutes. If not confirmed, please provide the relevant unit.

2. Please refer to Response to CIR No. 1, question PP1-2(d)(iv). Please explain the potential reasons for the "# of Pallets Unloaded" only representing 83.99 percent of "# of eDoc Pallets."

3. In describing the enhancements to the software supporting the SV mobile scanning device, the Postal Service previously stated:

> The enhancements also include software improvements to the SV system that enable the consolidation of existing raw data into more user-friendly reporting via SPD, thus allowing the Postal Service to make better use of the data it already has. Such reporting could provide Postal Service management with ready access to metrics such as average

> time between scheduled and actual arrival to the yard; average time between arrival to the yard or dock and the initiation of the unload process; and average duration of the unload process. This information could be filtered by postal administrative Area, facility, and shipper, and could be used to identify the day of the week with the highest cycle times. The Postal Service could use this information to monitor the relative performance of its facilities, for example, by identifying the highest and lowest performing facilities in terms of processing times.[1]

However, in Response to CIR No. 1, question PP1-2(e), the Postal Service states that the improvements mentioned in the Docket No. ACR2015, 120-Day Response "will not impact SPD reports" and that the Postal Service "has not identified any potential improvements to the SPD reports." Please reconcile these statements. In addition, please explain how the improvements mentioned in the Docket No. ACR2015, 120-Day Response, if implemented, would no longer "enable the consolidation of existing raw data into more user-friendly reporting via SPD." *See* Docket No. ACR2015, 120-Day Response at 25.

PP1-3: Bundle Visibility Reports

1. Please provide quarterly Bundle Visibility Reports from FY 2013 to present.

2. The Postal Service previously stated that, although data from Bundle Visibility has been focused on scanning compliance, it "has been able to use Bundle Visibility information to track where carrier route bundles are actually located in the process, from acceptance to final processing at delivery units."[2] However, the Postal Service states "[t]he Bundle Visibility reports show scanning compliance but cannot track bundles as they move through the postal network." Response to CIR No. 1, question PP1-3(c). Please reconcile these statements

[1] *See* Docket No. ACR2015, Third Response of the United States Postal Service to Commission Requests for Additional Information in the FY 2015 Annual Compliance Determination, July 26, 2016, at 25 (Docket No. ACR2015, 120-Day Response).

[2] Docket No. ACR2015, Response of the United States Postal Service to Commission Information Request No. 1, November 28, 2016, at 27 (Docket No. ACR2015, November 2016 Response).

and explain if the Bundle Visibility reports will have this capability in the future. Please confirm whether there exists a current capability through any system to measure cycle time.

3. The Postal Service stated that "[t]hese data and systems will provide the Postal Service with actionable data to address root cause issues with respect to cycle time between mail induction (acceptance) and the first sortation on bundle processing equipment." Docket No. ACR2015, November 2016 Response at 27. However, the Postal Service states that "[t]here is no cycle time measurement in Bundle Visibility reports available at this time." Response to CIR No. 1, question PP1-3(d). Please explain whether the Bundle Visibility Report will have this capability in the future. Please confirm whether there exists a current capability through any system to measure cycle time.

4. The Postal Service previously stated:

> Ultimately, while the Postal Service may be able to use the above information to determine where in the process a delay occurred, or to attribute a given delay to the arrival of an unexpectedly high volume of mail, there are various reasons why delay may occur that are not made visible by these data alone. For example, induction delays could be caused by a communication failure during a shift change; or the placard that postal personnel apply to containers staged for the next operation (once unloaded from the truck) may reflect the incorrect time and date of receipt or target day for clearing the mail from operations (or the placard may be missing altogether).

Docket No. ACR2015, 120-Day Response at 24.

However, in Response to CIR No. 1, question PP1-3(d)(ii), the Postal Service states that Bundle Visibility Reports do not currently provide induction delay information. Please reconcile these statements. In addition, please explain which data and systems currently or in the past have provided the information requested in question PP1-3(d)(ii). Please provide the examples as requested in PP1-3(d)(ii) using the relevant data and systems.

PP2-1: Mail Processing Variance Reports

1. Please expand Excel file "PP2-1_MPV.xlsx" from national level data to facility level data. In addition, please include:
   a. "CDV" Percent Achieved;
   b. Dollar Cost data;
   c. "CSV" Percent Achieved; and
   d. Dollar Cost.
2. Please explain what "CDV" Percent Achieved measures. Please provide all supporting data to calculate the percentage.
3. Please explain what "CSV" Percent Achieved measures. Please provide all supporting data to calculate the percentage.
4. Please explain how the target productivities in the MPV Reports are developed. Please include all supporting data and background information.
5. Please confirm that the target productivities have not changed since FY 2013. If not confirmed, please provide all instances of target productivity changes. In addition, please explain the process used to change target productivities.
6. In Excel file "PP2-1_MPV.xlsx," please provide the source for the manual flats volume data. If the volume data is derived from a formula, please provide the formula.
7. Please refer to Response to CIR No. 1, question PP2-1(g), where the Postal Service explains that MPV provides a dollar cost based on actual performance. Please provide examples of how the dollar cost figure is used by Postal Service management.
8. Please refer to Response to CIR No. 1, question PP2-1(g), where the Postal Service explains that MPV provides a dollar cost based on actual performance. Please confirm that MPV also provides the dollar cost at the target performance. If confirmed, please provide a dollar cost at target performance. Please also

confirm that the Postal Service subtracts the difference between the dollar cost at actual performance and at target performance in order to identify areas for cost savings. If not confirmed, please explain whether the Postal Service is capable of identifying areas for cost savings using this method.

PP2-2: Machine Chart Run vs. Plan Reports

Please provide Machine Run vs. Plan reports for each machine at one facility over a one week period.

PP2-3: Mail History Tracking System (MHTS)

1. Please provide examples of abilities of MHTS to track operational compliance and mailflow issues that affect service performance.
2. Please explain if the Postal Service retains any aggregated MHTS data to determine ways to identify consistently inefficient mail flows.

PP2-4: Single-Piece First-Class Mail Root Cause Reports

1. For each "root cause type," please provide the criteria for mail to be classified as the "root cause type." *See* Response to CIR No. 1, question PP2-4(b).
2. Please provide the "most prevalent root causes of failures" from FY 2013 to present. *See id.*, question PP2-4(c).
3. Please provide instances of when Single-Piece First-Class Mail Root Cause Reports were used to "prioritize performance improvement efforts." *See id.*

PP2-5: Lean Six Sigma and Kaizen studies related to low productivity

1. For each of the Lean Six Sigma and Kaizen studies provided in Excel file "PP2-5_LSS Studies.xlsx," please indicate whether the results of the studies have led to improvements at other facilities and, if so, the service and cost impacts of the improvements.

2. Please provide analyses for each Lean Six Sigma and Kaizen study that demonstrates "cause and effect relationship using regression analysis and hypothesis testing" of the Lean Six Sigma and Kaizen Studies. *See* Response to CIR No. 1, question PP2-5(g).

3. Please provide analyses from Lean Six Sigma and Kaizen studies that "enable[] teams to determine if there is a correlation between equipment productivity and service performance; to document the strength of that correlation and to verify the impact of subsequent productivity improvements on the flats service score." *See id.*

PP3-1: WebEOR and WebMODS

Please refer to Response to CIR No. 1, question PP3-1(f). The Postal Service states that "given variations of pay rates that are not currently available in WebMODs nor WebEOR, actual costs cannot be discerned." Response to CIR No. 1, question PP3-1(f). Please explain whether the Postal Service can combine WebEOR and WebMODS with national wage rates from Library Reference USPS-FY17-7 to estimate the impact of manual processing on flats costs. If WebEOR and WebMODS cannot be combined with wage rates to provide an estimate, please explain what additional data would be necessary to do so.

PP3-2: eFlash

1. In Excel file "PP3-2_eFlash.xlsx," Manual Flats volume is provided. Please provide Manual Letters volume and total (Letters and Flats) Manual Volume.

2. Please refer to Response to CIR No. 1, question PP3-2(i). Please provide workhours data for manual distribution letters and flats as an aggregated number.

3. Please refer to Response to CIR No. 1, question PP3-2(j). Please provide cost analysis of manual distribution letters and flats as an aggregated number.

4. Please provide the time it takes to handle a manual letter.

5. Please provide the time it takes to handle a manual flat.

6. Please provide the "costs analysis based on manual distribution for letters and flats" from FY 2013 to present. *See* Response to CIR No. 1, question PP3-2(j).

7. In explaining that eFlash provides estimates of manual incoming secondary distribution volumes, the Postal Service stated that these estimates "would be based on EOR counts generated at the upstream plant if available, otherwise manual workloads are approximated by quantifying the linear measurement of mail that is worked and converting the measurements to pieces using standard conversion factors." Docket No. ACR2015, November 2016 Response at 57. However, the Postal Services now states that "eFlash receives manual workload counts input through user entries into the NP (Non Payroll) Data Entry application as well as through end of run volumes that are fed to eFlash through Variance Programs." Please confirm that eFlash does not receive manual workloads that are approximated by quantifying the linear measurement of mail. Please reconcile the statements from the Docket No. ACR2015, November 2016 Response at 57 and Response to CIR No. 1, question PP3-2(a).

PP4-1: Work in Process (WIP) Metrics Provided by the SPD Tool

Please refer to Response to CIR No. 1, question PP4-1(g). Please provide WIP metrics that demonstrate information summarizing which "facilities take longer between primary operations than others."

PP4-2: Bundle Visibility Program/Reports

1. Please expand the data provided in Response to CIR No.1, question P4-2(d) from national level data to facility level data from FY 2017 Quarter 1 to present. Please provide all data in Excel format.

2. Please refer to Response to CIR No. 1, question PP4-2(d) regarding Plant Metrics.

   a. Please define "FS."

b. Please explain what "FS Bundles processed" measures.

c. Please explain what "FS Bundles nested" measures.

d. Please explain what "FS Bundles Nested on AFSM/FSS" measures.

e. Please explain how Postal Service management uses "% FS Bundles nested" and the purpose of calculating the figure.

f. Please explain what "Total Nested 99P Containers" measures. Please explain what a "99P Container" is.

g. Please explain what "99P Loaded" measures.

h. Please explain how Postal Service uses "% 99P Loaded" and the purpose of calculating the figure.

3. Please refer to Response to CIR No. 1, question PP4-2(d), regarding Plant Metrics.

a. Please explain what "% Delivery Unit (DU) Bundles Visibility Scores" measures and how it is calculated.

b. Please explain what "% Distributed Scan Compliance" measures and how it is calculated.

c. Please explain what "Out For Delivery (OFD) Bundles" measures.

d. Please explain what "% Inventory Complete Scan Compliance" measures and how it is calculated.

e. Please explain what "Number of curtailed bundles" measures.

4. Please refer to Response to CIR No. 1, question PP4-2(e). Please explain what metric the Postal Service uses to rank "highest opportunity entities available by area, by district, by MPOO, and by facility." In addition please define "MPOO."

5. Please refer to Response to CIR No. 1, question PP4-2(e). Please provide examples of "root cause drill reports."

PP5-2: SVWeb

1. Please expand the data provided in Response to CIR No.1, question PP5-2(d) from national level data to facility level data. Please provide all data in an Excel file.

2. Please refer to Response to CIR No. 1, question PP5-2(d).

   a. Please provide the Postal Service's goal for "National On-time departure percentage."

   b. Please provide the Postal Service's goal for "National On-time arrival percentage."

   c. Please confirm that the Container Types listed are all of the Container Types that SVWeb that have available data. If not confirmed, please list the other Container Types and provide space utilization data.

   d. Please provide Postal Service management's space utilization goal for each of the Container Types listed.

   e. Please explain what the "National Space Utilization by Container Type" measures. Specifically, please explain if it measures the amount of space used or the amount of space unused.

   f. Please confirm that there are no other types of containers used to transport mail other than those reported in Response to CIR No. 1, question PP5-2(d)(iii).

   g. Please explain what the National Average Load Percentage measures.

   h. Please provide the Postal Service's goal for the "National Average Load Percentage."

   i. Please provide the Postal Service's goal for "National total number of Late Containers."

   j. Please provide the Postal Service's goal for "National Misrouted Containers based on Unload Scans at Unexpected Site."

3. Please explain what the "Change Control Board (CCB)" does and provide the criteria for approval of improvements. *See* Response to CIR No. 1, question PP5-2(e).

4. Please provide the "updated transportation metrics to display new forms for irregularities and delay reasons for trips." *See* Response to CIR No. 1, question PP5-2(e)(i).

PP5-3: Bundle Visibility Reports

The Postal Service previously stated:

> Utilizing Bundle Visibility reports, the Postal Service has been able to identify and improve visibility of carrier route bundles by tracking where the bundles are actually located in the mail stream. This also helps the Postal Service identify Last Mile issues that originated during transportation operations. In the past, the Postal Service struggled to determine if Last Mile issues were due to plant processing and transportation issues or customer service issues. Because scan data reflect where the mail is located, with Bundle Visibility the Postal Service is now able to identify where the Last Mile issue occurred.

Docket No. ACR2015, 120-Day Response at 62.

In Response to CIR No. 1, the Postal Service states that "there is no current ad-hoc or static report available" for data regarding flows of carrier route bundles (*see* question PP5-3(d)(iii)), percent of Total Bundle Count (*see* question PP5-3(d)(iv)), and identified last mile issues due to transportation (*see* question PP5-3(d)(v)).

Please explain how the Postal Service has been able to use Bundle Visibility reports to identify these issues without ad-hoc or static reports. Please explain if there are other data sources used to provide this information. Please confirm that the Postal Service tracks last mile issues over time using Bundle Visibility reports.

General Questions

1. In FY 2014, the Commission issued its Advisory Opinion on the Postal Service's Standard Mail Load Leveling Plan.[3] Please explain how the Postal Service is using the flexibility gained from that plan to reduce USPS Marketing Mail Flats costs. Specifically, please provide and explain policies and/or procedures used by the Postal Service to delay mail USPS Marketing Mail in efforts to reduce costs. In addition, please provide any cost savings estimates associated with the Standard Mail Load Leveling Plan.

2. Please provide a narrative that explains the expectations of Postal Service management to balance service and cost when processing and delivering mail.

3. Please refer to the Response to CIR No. 1, question OD-2. Please explain what actions the Postal Service has taken in response to the ideas generated by industry leaders. In addition, please provide any cost savings associated with these ideas.

4. Please provide a list of reports that are outputs from the Informed Visibility platform. For each report, please explain the data reported and identify the general users of the report. In addition, please identify which of those reports are used to track flat-shaped mail cost and service issues.

5. In Docket No. ACR2017, Responses of the United States Postal Service to Questions 1-14 of Chairman's Information Request No. 9, February 1, 2018, question 6, the Postal Service explained that "Informed Mobility" will provide real time information to front line managers regarding "safety, service, and cost efficiencies." Please provide a narrative that explains that data that will be available to managers when "Informed Mobility" is implemented.

6. Please refer to the Response to CIR No. 1, question OD-4.

[3] Docket No. N2014-1, Advisory Opinion on Service Changes Associated with Standard Mail Load Leveling, March 26, 2014.

a. Please provide data that demonstrates how much volume has been removed from processing on bundle sorting machines. Please provide national quarterly data from FY 2013 to present.

b. Please provide an estimate of the impact of the Flats Sequencing System (FSS) on the operational window. Please provide all information supporting this estimate. Please also provide national quarterly data from FY 2013 to present.

c. Please provide the cost savings estimated from removing "mail from the manual flow by eliminating the need for a clerk or carrier to touch the mail before delivery occurs, thereby offsetting the labor cost of the manual process." Please provide national annual data from FY 2013 to present.

d. Please provide an estimate of the reduced "allied operations" obtained from the FSS "as it sorts and places the mail directly into trays and onto the Mail Transport Equipment (MTE) which is transported directly to the delivery unit." Please provide national annual data from FY 2013 to present.

e. Please provide an estimate of errors that occur in FSS sortation that result in the mail becoming "unrecoverable in terms of meeting the service standard." Please provide national quarterly data from FY 2013 to present.

By the Commission.

Stacy Ruble
Secretary